California State University SAN MARCOS | OFFICE OF THE PRESIDENT

Dear colleagues,

With the semester now in full swing, I want to take this opportunity to provide an update on the university budget planning. The campus continues to plan for the challenges ahead in the 2025-26 fiscal year. Many of you who attended Convocation or watched the budget forum on Sept. 10 are already aware of the latest efforts. All budget forums are available online, and I encourage you to watch if you were unable to attend.

Budget Planning
In a moment like this, I want to make sure people understand how they can find budget information. The Budget Updates & Communications website posts budget forums and the budget timeline followed by the state and CSU.

As I shared in Convocation, our budget planning is rooted in the priorities outlined in our Strategic Plan. At the heart of this strategy is our unwavering commitment to prioritizing our people — students, faculty, and staff. We are resolute in our shared purpose — our mission of student success — which guides all our decisions and actions.

While each division and college has its own budget decision-making process, at the university level, the University Cabinet serves as the president's budget and advisory committee. The University Cabinet includes faculty, staff, and student representatives. There are also budget consultative meetings with groups like the Academic Senate Budget and Long-range Planning committee.

Budget Levers and Actions
I mentioned in Convocation that our budget has different levers. One is funding allocated and reallocated from other campuses to support campuses that have the potential to grow. Our ability to grow has been key to our sustainability. It has helped our university stave off catastrophic cuts as our expenses have escalated in compensation, insurance, benefits and utilities.

At the same time, we must prepare for an intended state base budget cut to the CSU in the '25-26 year of 7.95%. As we start to address this possibility and continued budget

uncertainty, another lever is the $5 million we set aside this year from the recurring budget. Additionally, a hiring chill for MPPs and staff, while not a complete freeze, will allow us to better prioritize resources across the campus.

Moving Forward
While we are not in the same place as many of our fellow campuses with deeper cuts, I would be disingenuous if I did not say that I know our reality is also hard – as many of you have already been dealing with the impact of constricted budgets.

I also believe deeply in our spirit of resilience. Collectively, we are not just looking at today's challenges but also at how to best position CSUSM for the future and ensure the university's long-term sustainability. It will take all of us to continue to drive the university forward despite the headwinds. We will need to continue to be innovative, find efficiencies, and seek new ways of doing things.

I am sincerely thankful for all you do each and every day for our students. As we navigate forward together, we will remain steadfast in our vision of social mobility — transforming lives, families and communities through higher education. We are a university of place, and we will continue to serve our region for generations to come.

With gratitude,
Ellen Neufeldt, Ed.D.
President, California State University San Marcos